



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 26 May 2017.

PRESENT

Mr. P. Bedford CC
Mr. G. A. Boulter CC
Mr. D. Jennings CC
Mr. J. Kaufman CC
Mr. W. Liquorish JP CC

Mr. J. T. Orson JP CC
Mr. T. J. Richardson CC
Mr. S. D. Sheahan CC
Mr. D. Slater CC

1. Election of Chairman.

RESOLVED:

That Mr. W. Liquorish CC be elected Chairman for the period ending with the Annual Meeting of the County Council in May 2018.

Mr. W. Liquorish CC in the Chair

2. Election of Vice Chairman.

RESOLVED:

That Mr T. J. Richardson CC be appointed Deputy Chairman for the period ending with the date of the Annual Meeting of the County Council in 2018.

3. Minutes of the previous meeting.

The minutes of the meeting held on 17 February 2017 were taken as read, confirmed and signed.

4. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

5. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

6. Urgent Items.

There were no urgent items for consideration.

7. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr Richardson CC declared a personal interest in item 9: Quarterly Treasury Management Report and item 10: Annual Treasury Management Report as he was in receipt of a pension from Lloyds Bank.

No other declarations were made.

8. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide an overview of key risk areas and the measures being taken to address them. A copy of the report, marked 'Agenda Item 8, is filed with these minutes.

The Committee also received a presentation on the risks associated with the costs of Special Educational Needs (SEN) placements as per risk 1.6 on the Corporate Risk Register. A copy of the slides forming the presentation is filed with these minutes.

Presentation – SEN placements

Arising from the presentation the following points were noted:

- (i) In response to concerns from Members that this was a high cost service with little control over demand, reassurance was given that all attempts would be made to maintain the quality of service whilst investing financial resources in local provision which should produce savings. Improvements needed to be made with transition planning and therefore additional staff had been allocated to this area. Savings could also potentially be made in the post 19 age group.
- (ii) In answer to a question about the breakdown of the £19.5 million spent on 366 pupils and whether the bulk of this was due to a minority of those pupils with especially high needs, Members were informed that placements varied from between £40,000 and £100,000. The overall cost of a placement could vary dramatically depending on transport costs, though transport costs were not included in these figures. Members stated that it would be helpful if the transport costs were included in the figures. The Director of Corporate Resources confirmed that a decision had been taken to combine the transport budget for SEN placements with the overall transport budget because if the transport budgets were separate the Council would lose the economies of scale.
- (iii) Concerns were raised by Members that the Governance structure of the High Needs Project Group was over elaborate. In response reassurance was given that the Boards which were in place were essential and did not meet more often than was necessary. It was noted that as the High Needs Project Group was established by the Transformation Unit it needed to report back to the Transformation Board, and it also needed to report to the Schools Forum as that was the body that decided how funding was allocated.

- (iv) Clarification was given regarding the phrase 'Out of County Placements' which referred to independent schools not in the control of the County Council rather than schools out of the geographical County of Leicestershire.

Corporate Risk Register

Arising from discussions the following points were noted:

- (i) If members perceived that there was a risk which should be recorded on the Risk Register then they could raise this with the relevant Departmental Director.
- (ii) Confirmation was given that Risk 2.4 Help to Live at Home was expected to move to medium/amber because the re-procurement exercise for providers was close to being complete. The providers already in place were being monitored and a report on this would be considered by the Adults and Communities Overview and Scrutiny Committee on 20 June 2017.
- (iii) With regard to risk category 3 on the subject of ICT and Information Security an update was provided on the world-wide cyber-attack which took place on 12 May 2017. Confirmation was given that there had been no attacks from this particular ransomware on Leicestershire County Council systems and no major issues had been reported by departments, key suppliers or by partners. Members were reassured that the County Council did not use Windows XP software and that there was a robust maintenance schedule which ensured that all infrastructure equipment was updated regularly. The Council's Resilience Planning Group had met to co-ordinate the Council's business continuity response and a review was taking place to establish if there were any lessons that could be learnt.
- (iv) With regard to the requirement to publish annually summary details of fraud investigations undertaken by local authorities Members asked for the figures for Leicestershire County Council and it was agreed that this information would be circulated to Members after the meeting.

RESOLVED:

- (a) That the contents of the report and presentation be noted;
- (b) That the current status of the strategic risks and emerging risks facing the Council, as detailed in the report and the Corporate Risk Register, be noted;
- (c) That the updated Corporate Risk Register be approved;
- (d) That a presentation be provided at the next meeting of the Committee on the risk that Leicestershire County Council and partners do not have the capacity to meet expected increase in demand caused by the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016, as detailed in the Corporate Risk Register (Risk 2.3).

9. Quarterly Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources which set out the actions taken in respect of treasury management in the quarter ended 31 March 2017. A copy of the report, marked Agenda Item 9 is filed with these minutes.

RESOLVED:

That the contents of the report be noted.

10. Annual Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources which set out the actions taken in respect of treasury management in 2016/17. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

RESOLVED:

That the Annual Treasury Management Report 2016/17 be noted.

11. Draft Annual Governance Statement 2016/17.

The Committee considered a joint report of the Director of Corporate Resources and the Chief Executive, which presented the draft Annual Governance Statement (AGS) for comment by the Committee prior to sign off by the Chief Executive and Leader of the Council. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

A Member questioned why the findings of the Ofsted report on Leicestershire entitled 'Inspection of services for children in need of help and protection, children looked after and care leavers' was not referred to in the covering report to the AGS. Clarification was given that the County Council was aware of many of the issues raised in the Ofsted report before the Ofsted report was published and action was taken to address them in the 2016/17 year. It was further highlighted that the Ofsted report was in fact referred to in the AGS under the 'Future Challenges' heading.

RESOLVED:

- (a) That the draft 2016/17 Annual Governance Statement be approved;
- (b) That it be noted that the Statement, which may be subject to change as required by the Code of Practice in Local Authority Accounting, has been prepared in accordance with best practice.

12. Local Code of Corporate Governance.

The Committee considered a joint report of the Director of Corporate Resources and the Chief Executive the purpose of which was to present the County Council's revised Local Code of Corporate Governance to the Committee for review and to recommend approval by Cabinet.

RESOLVED:

- (a) That the contents of the report including the publication of the revised CIPFA/SOLACE Delivering Good Governance in Local Government; Framework (2016) be noted.
- (b) That the revised Local Code of Corporate Governance be recommended for approval by Cabinet on 23 June 2017.

13. Internal Audit Service Progress Report.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide a summary of progress against the Internal Audit Plan 2016-17 and report on progress with implementing high importance recommendations. A copy of the report, marked 'Agenda Item 13', is filed with these minutes.

Concern was raised by a Member that the Action Date for SEN Transport Risk assessments had been extended on more than one occasion. In response clarification was given that this was due to a large caseload, and risk assessments with the greatest need were prioritised. A more detailed audit of SEN Transport would take place in October 2017 and an update would be provided to the Committee at its meeting in November 2017. It was anticipated that this risk would be closed off by January 2018. It was noted that Members did have the option of requiring Directors to attend meetings of the Committee to be held to account if Members were of the view that insufficient progress had been made in implementing High Importance Recommendations.

In answer to a question from a Member it was confirmed that the Direct Payment Card scheme had begun operating, though the audit opinion on Direct Payment Cards was yet to be finalised and as a rule opinions were only reported to the Committee once they had been confirmed.

RESOLVED:

That the contents of the report be noted.

14. Internal Audit Service Annual Report 2016/17

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide an annual report on work conducted by the Internal Audit Service. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

RESOLVED:

That the contents of the report be noted.

15. Internal Audit Service Annual Plan for 2017/18

The Committee considered a report of the Director of Corporate Resources the purpose of which was to provide members with information about the contents of the Internal Audit Service Audit Plan 2016-17 for the County Council and audit resource allocated to other organisations. A copy of the report, marked 'Agenda Item 15', is filed with these minutes as is a copy of the Internal Audit Service Audit Plan 2017-18 which was circulated separately to the main report.

In answer to a question from a Member it was confirmed that the Internal Audit Service did provide consulting support to departments within the Authority particularly on major Information & Technology projects for example any potential replacement of Oracle.

RESOLVED:

That the Internal Audit Service Annual Plan 2017/18 be noted.

16. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on 22 September 2017 at 10:00am.

11.00 am - 12.45 pm
26 May 2017

CHAIRMAN